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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

UNITED NATIONS COMMON SYSTEM

UNITED NATIONS PENSION SYSTEM

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission

Representation allowance for under-secretaries-general and assistant secretaries-general (A/C.5/47/39)

Seventh report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/C.5/47/37) on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission (ICSC) 1/ and the report of the Secretary-General on representation allowance for under-secretaries-general and assistant secretaries-general and hospitality for official functions (A/C.5/47/39). During its consideration of the statement and the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The Advisory Committee points out that the compensation of its Chairman and the Chairman and Vice-Chairman of ICSC, whose conditions of service are distinct and separate from those of Secretariat officials, is reviewed separately every five years by the General Assembly on the basis of proposals from the Secretary-General; the next such review is scheduled for 1995.

I. ADMINISTRATIVE AND FINANCIAL IMPLICATIONS OF THE RECOMMENDATIONS AND DECISIONS CONTAINED IN THE REPORT OF ICSC

3. As indicated by the Secretary-General in paragraph 1 of his statement, the decisions and recommendations of the Commission that would entail financial implications for the biennium 1992-1993 relate to the following issues:

(a) Remuneration of the Professional and higher categories of staff: base/floor salary scale;

(b) Methodology for the determination of dependency allowances for the Professional and higher categories;

(c) Comprehensive review of conditions of service of assistant secretaries-general, under-secretaries-general and equivalent levels;

(d) Methodology to determine the level of the education grant and review of the level of the education grant.

4. As can be seen from the table following paragraph 34 of the Secretary-General's statement, the financial implications for the United Nations regular budget for 1993, as a result of the implications of the decisions and recommendations of ICSC, are estimated at $3,623,900.

5. Paragraphs 3 to 6 of the Secretary-General's statement deal with financial implications resulting from the establishment of a base/floor salary scale, approved by the General Assembly in its resolution 44/198 of 21 December 1989. As noted in paragraph 3, that scale "was part of an integrated package in which negative classes of post adjustment were eliminated: it is used also to calculate payments under the new mobility and hardship scheme, as well as separation payments".

6. The Advisory Committee notes from paragraph 5 of the Secretary-General's statement that, because of salary increases in the comparator civil service, the Commission has recommended an increase of 6.9 per cent, effective 1 March 1993, in the current base/floor salary scale through the consolidation of classes of post adjustment. The costs to the United Nations regular budget would amount to $1,040,900 for 1993; as shown in paragraph 34, most of that amount relates to anticipated payments under the mobility/hardship matrix.

7. As stated in paragraph 6 of the Secretary-General's statement, the implementation of the above-mentioned recommendation would also necessitate an increase of $8,811,600 for 1993 under section 36, Staff assessment, to be offset by an increase in the same amount under income section 1.

8. The methodology for the determination of dependency allowances for the professional and higher categories is covered in paragraphs 7 to 9 of the Secretary-General's statement. Those allowances comprise the children's allowance and the secondary dependant's allowance.

9. Following its review, the Commission recommended to the General Assembly the retention of the present methodology. The Commission also recommended that the current level of the children's allowance should be increased by 21 per cent and that of the secondary dependant's allowance by 50 per cent, both effective 1 January 1993. The costs to the United Nations regular budget would be $1,165,100 for 1993.

10. The comprehensive review of conditions of service of assistant secretaries-general/under-secretaries-general is discussed in paragraphs 10 to 30 of the Secretary-General's statement; the Commission's recommendations in this regard relate to four items: net remuneration, housing arrangements, pensions and representation allowances. No financial implications for these were given by ICSC; as stated in paragraph 29 of the Secretary-General's statement, the United Nations has estimated the costs to the regular budget for 1993 in respect of the four items and staff assessment.

11. With regard to net remuneration, the Advisory Committee notes in paragraph 14 of the Secretary-General's statement that ICSC, having recommended an increase in net remuneration for staff at the assistant secretary-general/under-secretary-general levels in the range of 7 to 11 per cent, also recommended that the specific level of increases should be determined by the General Assembly in the light of such recommendations as the Secretary-General might wish to make.

12. In paragraph 20 of his statement, the Secretary-General states that "in light of the measures taken to restructure the Secretariat of the United Nations, as well as the working level equivalents established by ICSC with the Executive Schedule of the comparator civil service, an increase of 9 per cent for under-secretaries-general and 7.5 per cent for assistant secretaries-general would be justified at this time". In view of the fact that the restructuring of the Secretariat is still continuing, as indicated by the Secretary-General in his statement to the Fifth Committee (ST/IC/1992/73), the Advisory Committee recommends that consideration of this issue by the General Assembly should be deferred until the process has been completed.

13. With regard to housing arrangements for staff at these levels, the Advisory Committee notes from paragraph 21 of the Secretary-General's statement that the Commission has reiterated its recommendation made in 1990 and 1991; should the General Assembly approve that recommendation, the cost to the United Nations regular budget has been estimated at $204,000 for 1993.

14. As far as the issue of pensions is concerned, the Advisory Committee notes from paragraph 23 of the Secretary-General's statement that the Commission recommends that the pensionable remuneration scale for staff at those levels be adjusted commensurate with changes in remuneration, but that alternative pension arrangements should be deferred; should the General Assembly approve this recommendation, the cost to the United Nations regular budget has been estimated at $67,200 for 1993.

15. In paragraphs 26 to 28 of his statement, the Secretary-General discusses the practice of some staff members of receiving national subsidies to

supplement their emoluments. In that regard, the Advisory Committee notes that the Secretary-General "intends, in conjunction with the introduction of a revised remuneration package for staff at the assistant secretary-general and under-secretary-general level, to require such staff to reaffirm that they do not receive any supplement to or pay any deduction from their emoluments to their national authorities".

16. The methodology to determine the level of the education grant and review of the level of the education grant are dealt with in paragraphs 31 to 33 of the Secretary-General's statement. Should the General Assembly approve that recommendation, the cost to the United Nations regular budget has been estimated at $704,400 for 1993.

II. REPRESENTATION ALLOWANCE FOR UNDER-SECRETARIES-GENERAL AND ASSISTANT SECRETARIES-GENERAL AND HOSPITALITY FOR OFFICIAL FUNCTIONS

17. As recalled in paragraph 3 of the Secretary-General's report, the General Assembly, in its resolution 46/185 A of 20 December 1991, concurred with the Advisory Committee's recommendation and decided to defer until its forty-seventh session consideration of this item.

18. For reasons given in paragraph 5 of his report, the Secretary-General recommends that the representation allowance of under-secretaries-general and assistant secretaries-general be established by direct reference to salary in amounts equal to one month net remuneration.

19. The Secretary-General proposes to introduce the increase in the level of representation allowance on a gradual basis over the period 1993-1996 and the amounts would be established as follows: 60 per cent of monthly net remuneration in 1993; 70 per cent in 1994; 80 per cent in 1995; and 100 per cent in 1996. The Advisory Committee points out that this is not the basis upon which representation allowance has been paid hitherto, nor is it the basis upon which the representation allowances of the Secretary-General and the Administrator of UNDP have been established. It would also have the effect of establishing differentials in dollar amounts payable to officials of the same level depending on their duty station.

20. The Advisory Committee's recommendation with regard to representative allowance of under-secretaries-general and assistant secretaries-general is the same as the one made in paragraph 12 above on net remuneration for staff at those levels, that is, that consideration of this issue be deferred until the restructuring process has been completed.

Notes

1/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 30 (A/47/30).

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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Revised estimates under section 24, Economic and Social Commission for Asia and the Pacific; section 21D, Crime prevention and criminal justice; and section 27, Economic and Social Commission for Western Asia

Eighth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the revised estimates under section 24, Economic and Social Commission for Asia and the Pacific (ESCAP) (A/C.5/47/29), section 21D, Crime prevention and criminal justice (A/C.5/47/40), and section 27, Economic and Social Commission for Western Asia (ESCWA) (A/C.5/47/41), of the programme budget for the biennium 1992-1993. During its consideration of the above reports, the Committee met with representatives of the Secretary-General, who provided additional information.

A. Economic and Social Commission for Asia and the Pacific

2. The Secretary-General recalls in paragraph 2 of his report (A/C.5/47/29) that the changing circumstances and priorities of the region and, in particular, the process of transition of several centrally planned economies in the region to a market economy, have presented ESCAP with new responsibilities and reaffirmed the need to strengthen regional cooperation. The Committee notes that the Commission, on the recommendation of a Group of Eminent Persons, adopted resolution 48/2 on restructuring the conference structure of the Commission, which was approved by the Economic and Social Council in decision 1992/290 and resulted in revisions to programme 31 of the medium-term plan for 1992-1997 (paras. 4 and 5). The Committee further notes

that the Committee for Programme and Coordination, at its thirty-second session, recommended to the General Assembly the approval of the revisions to programme 31, with the modifications as stated in its report (A/47/16 (Part I), para. 87), which will provide the framework for the programme budget for 1994-1995 (para. 6).

3. The Secretary-General estimates the additional requirements for outside expertise not available in ESCAP for activities related to countries that are in transition to a market economy as well as to the response to Agenda 21 1/ and to the problems faced by the least developed, land-locked and island developing countries in the amount of $40,000 (para. 17). Upon inquiry, the Committee was informed that the expenditure for consultancy as at October 1992 amounted to $78,500 against an appropriation in 1992 of $149,000.

4. The additional requirements for travel to conduct fact-finding missions and consultations with Governments are estimated at $55,000 (para. 18). Upon inquiry, the Committee was informed that the expenditure for travel as at October 1992 amounted to $256,700 against an appropriation of $274,100 for 1992. With regard to the above expenditures for consultants and travel during 1992, the Committee was informed that the reorientation of activities from a sectoral to a thematic approach had begun and a number of anticipated consultancies and missions had been postponed to 1993.

5. The representatives of the Secretary-General stated that it would not be possible to redeploy resources from within section 24 of the programme budget for the biennium 1992-1993 to finance the proposed activities estimated at $95,000 (para. 21). Considering that the restructuring of ESCAP is in process and it is difficult to project any overexpenditure under section 24 at the present time and taking into account the low implementation level under consultancy as well as the extrabudgetary resources available to ESCAP ($37.2 million) for the biennium 1992-1993, the Committee sees no need for the General Assembly to authorize an additional appropriation of $95,000 at the present time. The Advisory Committee therefore recommends that, at the present stage, the Fifth Committee take note of the above estimate on the understanding that such additional appropriations as may be necessary should be indicated by the Secretary-General in his first performance report under section 24 of the programme budget for the biennium 1992-1993.

B. Crime prevention and criminal justice

6. The Secretary-General recalls in paragraph 1 of his report (A/C.5/47/40) that the General Assembly, in its resolution 46/152 of 18 December 1991, took note of the report of the Ministerial Meeting on the Creation of an Effective United Nations Crime Prevention and Criminal Justice Programme (see A/46/703 and Corr.1) and approved the statement of principles and programme of action annexed to its resolution.

7. The General Assembly, in its resolution 46/152, paragraph 7, requested the Secretary-General to take the necessary action within the overall existing United Nations resources and to provide appropriate resources for the effective functioning of the programme of action in accordance with the principles outlined in the statement of principles and programme of action.

8. With regard to the proposed creation of an effective crime prevention and criminal justice programme (section B), the Committee notes that the Committee for Programme and Coordination, at the first part of its thirty-second session, has recommended to the General Assembly the approval of the revisions to programme 29, with the modifications as stated in its report (A/47/16 (Part I), para. 70).

9. The Committee notes from paragraph 12 of the Secretary-General's report that the upgrading of the Crime Prevention and Criminal Justice Branch into a division, as recommended by the General Assembly in resolution 46/152, annex, para. 32, to be headed by a director at the D-2 level, would be given further consideration in the context of the ongoing review of the economic and social sectors (para. 12). However, the Secretary-General states in paragraph 12 of his report that some strengthening of the staff resources of the Branch appears necessary in 1993.

10. The Secretary-General estimates that three additional posts (two P-4 and one P-3) would be required to carry out the new tasks of the crime prevention and criminal justice programme, especially in the areas of technical cooperation and expanded operational activities, development of coordinated training programmes and development, maintenance and operation of additional databases (para. 13). Furthermore, the Secretary-General estimates additional requirements for outside expertise ($30,000), travel for fact-finding missions and consultations ($15,000) and computer equipment and software ($20,000) (paras. 14-16).

11. Upon inquiry, the Committee was informed that the Secretary-General would redeploy the required additional two P-4 and one P-3 posts (see para. 10 above), on a temporary basis, from section 33, Administration and management, of the programme budget for 1992-1993 where vacant posts have been identified for redeployment in 1993. The Advisory Committee trusts that any such proposed redeployment for 1993 will be submitted to it for approval in accordance with the Financial Regulations and Rules. In paragraph 23 of his report, the Secretary-General states that "the preparation of the programme budget for the next biennium will provide an opportunity for the Secretary-General to review thoroughly the overall post requirements in the crime prevention and criminal justice programme".

12. The Committee further notes that the Secretary-General proposes to absorb the additional requirements for consultancy, travel and computer equipment totalling $65,000 (see para. 10 above) from within the overall appropriations under section 21 of the programme budget for 1992-1993 (para. 24). In that connection, the Committee was informed that the Secretary-General intended to reassess the situation and requirements of the crime prevention and criminal justice programme in January 1993.

13. As regards the preparation for the Ninth United Nations Congress on the Prevention of Crime and the Treatment of Offenders (section C), the Economic and Social Council, in its resolution 1992/24, requested the Secretary-General to provide the necessary resources to undertake, in an effective and timely manner, within the overall appropriations of the programme budget for 1992-1993 and adequate resources for 1994-1995, the preparatory activities for the Ninth Congress (para. 17). The Secretary-General estimates that general temporary assistance equivalent to one additional P-4 and one General Service (other level) posts would be required, starting in 1993 (para. 19).

14. The Committee notes that it is the intention of the Secretary-General to utilize the savings in staff resources, equivalent to one P-4 and one General Service post under section 21D, following the reorientation of the crime prevention and criminal justice programme, for the preparatory activities of the Ninth Congress in 1993 (para. 20). Additional costs for travel of representatives of the regional commissions are estimated at $25,000 (para. 21); that amount will be absorbed from within sections 23 to 26 of the programme budget for 1992-1993. Public information activities in 1993 are also expected to be financed from within existing resources (para. 22).

15. The Committee has no objection to the Secretary-General's proposals to finance the additional requirements for the expansion of the crime prevention and criminal justice programme under section 21D, pursuant to General Assembly resolution 46/152 and Economic and Social Council resolutions 1992/22 and 1992/24, from within the overall appropriations of sections 21, 23 to 26 and 33 of the programme budget for the biennium 1992-1993 (see paras. 11-14 above).

C. Economic and Social Commission for Western Asia

16. The Secretary-General recalls in paragraph 2 of his report (A/C.5/47/41) that the proposed budget of ESCWA has been prepared at the maintenance level and is based on Baghdad costs. The Commission, at its sixteenth session, held at Amman from 30 August to 3 September 1992, approved, in resolution 195 (XVI), the programme of work of its secretariat for the biennium 1992-1993, as amended in the light of observations made thereon by the Technical Committee; those amendments, as presented, do not have any programme budget implications (para. 3).

17. The Secretary-General states in his report that "it is not possible to determine at the present stage whether the headquarters of the Commission will be transferred to a new location in the course of the current biennium" (para. 5). The Committee notes that, at the same time, lower operating costs at the current location, Amman, particularly with regard to salaries and common staff costs, have generated substantial savings.

18. The Secretary-General proposes to reflect the projected savings of $5.6 million for the biennium 1992-1993 in the first performance report and to maintain the appropriation approved by the General Assembly under section 27 ($50,381,500) at the present time, taking into account the projected additional commitments in relation to late charges for costs incurred at

Baghdad and the possibility of a relocation of ESCWA headquarters towards the end of the current biennium (para. 5).

19. The Advisory Committee has no objection to the above proposals.

Notes

1/ See A/CONF.151/26, vols. I-III.

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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Integrated management information system project

Status of technological innovations in the United Nations

New technology projects - Progress report on the optical disk project

Ninth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the following reports of the Secretary-General: (a) the integrated management information system (IMIS) project (A/C.5/47/27), (b) the status of technological innovations in the United Nations (A/C.5/47/18), and (c) the optical disk project (A/C.5/47/18/Add.1). The Committee also had before it the report on an independent evaluation of the IMIS project, conducted pursuant to General Assembly resolution 46/185 B.

I. REPORT ON AN INDEPENDENT EVALUATION OF THE INTEGRATED MANAGEMENT SYSTEM (IMIS) FOR THE UNITED NATIONS SECRETARIAT AND FOURTH PROGRESS REPORT OF THE SECRETARY-GENERAL

2. In requesting the independent evaluation of the IMIS, the General Assembly, in its resolution 46/185 B, stated that its purpose was "to assess the approach and methodology adopted in the development and implementation of the project and to determine whether the project can be expected to provide the benefits outlined in the reports of the Secretary-General and to contribute to a more efficient and effective administrative management of the Organization". The study, which was conducted during June and July 1992, was

prepared by Mr. Colin Wooles from the Government of Canada and Mr. Edward B. Bergh from the Ministry for Foreign Affairs of Sweden. The Advisory Committee found the study well prepared and very useful; accordingly, in an effort to assist members of the Fifth Committee, the Executive Summary of the study is annexed to the present report.

3. The Advisory Committee notes that the experts concluded that the chances of a technical success of the IMIS project are very high and that the hardware and software selection and procurement processes have been based on sound management practices. In that connection, the experts state that the IMIS Steering Committee made the appropriate strategic technology decisions, which freed the Organization from being locked into any one or group of hardware/software suppliers. The experts also endorsed the phased release schedule for IMIS, which entails five releases of software to be progressively implemented from December 1992 to December 1993. In the opinion of the experts, such an approach is the only possible course of action; to do otherwise "invites disaster and, even more so, is impossible".

4. The Advisory Committee is gratified by the findings of the experts with regard to the project's technical design and implementation strategy. At the same time it notes the experts' concerns about the Organization's preparation for and understanding of what is required to implement IMIS and what should be happening at the present time. In other words, while concluding that IMIS can be a technical success, the experts have identified shortcomings in the overall project plan "which mitigate against IMIS becoming an organizational success"; as indicated in the Executive Summary, the experts recommend actions which must be taken to ensure the success of IMIS from an organizational point of view.

5. One such action relates to the transfer of knowledge. The Advisory Committee notes the experts' conclusion that "the Organization has not yet fully initiated a rigorous process for technical knowledge transfer from the contractor to United Nations staff who will be responsible for maintenance and operation of the IMIS system in January 1993", and that it is necessary "for more United Nations staff to be involved with the project to learn firsthand the technologies and how they are used in the IMIS environment". In the opinion of the consultants such staff must be identified immediately and provided with the necessary training which is available now and which will become available when the successful hardware supplier is known. Similarly, training for non-technical users is required. The experts also indicated that the responsibility for transition management must be passed to each user organizational section, and that, with regard to release 1, this planning activity must be initiated now.

6. In the opinion of the Advisory Committee, the importance of training and the transfer of knowledge cannot be overemphasized since, if not carried out properly, the investment in designing and implementing the system will be compromised. The Advisory Committee therefore discussed those questions at some length with representatives of the Secretary-General; it also notes that, in his report the Secretary-General, in addressing the main concerns of the

experts, notes that "several activities that were under preparation during the experts' visit have been reviewed in the light of their observations and have since been undertaken by both the Department of Administration and Management and the IMIS team (A/C.5/47/27, para. 20).

7. The Secretary-General elaborates on those activities in rather general terms in paragraphs 21 to 28 of his report. In that connection, the Advisory Committee notes the statement that "the United Nations will need to review and strengthen the organizations that traditionally provide technical and application support" (para. 22). Accordingly, a task force has been established within the Electronic Services Division (ESD) with the participation of technical staff from the IMIS team, which is responsible for planning the operations related to the installation and maintenance of IMIS. The Advisory Committee was informed that the task force reviews the installation and maintenance of the system; it also reviews any problems reported by users to ascertain if it relates to the hardware or to the application.

8. With regard to applications support, a centrally managed applications support organization has been proposed instead of a distribution of such support, as is currently the case with regard to existing systems. As indicated in the Secretary-General's report, the IMIS Steering Committee is considering various options to implement this recommendation (para. 26).

9. The Secretary-General states in his report that "the knowledge transfer activities had just started when the independent experts conducted their study" (para. 28); these include the establishment of a training programme. In response to inquiries, the Committee was informed that training courses for programmers and systems analysts had begun; the Committee was provided with a functional listing of those staff members. With regard to the training of users, representatives of the Secretary-General stated that it had been decided, on the advice of consultants in computer training, to create a training system within the IMIS system through the use of detailed tutorials, which can be updated by the system's support whenever advances/changes are introduced to the system.

10. Representatives of the Secretary-General stressed that the above approach will, in the opinion of the Steering Committee, obviate the need for maintaining a costly training infrastructure once the initial training of users has taken place. In that connection, the Committee was informed that an inventory had been taken of staff expected to use the system along with the list of functions to be performed in order to design the necessary training programme. A training video will also be available, as will the traditional training manual; focal points will also be designated in each office for troubleshooters and to assist other users. While the creation of such a subsystem will initially entail additional costs, representatives of the Secretary-General stressed that it will result in savings in the longer term.

11. The Committee welcomes such planning; at the same time it stresses that care must be taken to ensure that, once trained, a staff member be retained in

a given office to perform the functions for which he/she has been trained; that is, to the extent possible, such staff should not be initially eligible for assignment to peace-keeping operations or other assignments where their training would not be put to good use. Upon inquiry, the Advisory Committee was informed that the training schedule had been synchronized to the release of each software. The Advisory Committee trusts that this schedule will be adhered to, thereby ensuring that the necessary competent staff will be available as needed.

12. The experts also did an assessment of realizable benefits. In that connection they noted that there is no doubt that the qualitative benefits, which have been articulated at length in the progress reports of the Secretary-General, are fully realizable. In his current report, the Secretary-General provides a detailed list of the major qualitative benefits expected from IMIS (A/C.5/47/27, annex II). The Secretary-General also reiterates that, "with the exception of a very few cases, the benefits, while substantial, cannot be quantified in financial terms owing to their nature and to the fact that they cannot be assigned to specific individual functions or to one specific organizational unit" (para. 42).

13. In response to inquiries, representatives of the Secretary-General also emphasized that a quantitative analysis of the benefits would be costly at this stage, and that, as stated by the Secretary-General, until the IMIS system is fully implemented, it is not possible "to forecast precisely the actual workload and time that will be spent by each staff member in performing his or her functions with IMIS" (para. 42). However, after one year of full implementation, a detailed analysis could be performed to identify underutilized resources that could be reassigned (para. 44).

14. The Advisory Committee appreciates the detailed listing of expected benefits. It also notes that the experts have concurred that it is not possible to attach precise monetary values on benefit attainment, as the information required to do this is not available. Notwithstanding that position, the Advisory Committee, while appreciating the difficulties inherent in such a task, remains of the view that some effort could have been made to quantify the benefits which would result from eliminating redundant actions through the introduction of the IMIS.

15. The Secretary-General deals with the financial aspects of the project in his report (A/C.5/47/27, sect. IV, paras. 49-80). "With the definition of the new implementation strategy and further progress of work, it is now possible to reassess the total cost of the project", which is currently estimated at $41,332,900 at current prices or $33,080,000 in constant 1988 dollars (para. 49).

16. As stated in their report, the experts have "a high level of confidence that the results expected for phase I of IMIS are attainable with a funding level which meets the expenditure projections presented in the present report". The experts also note that the projected total phase I expenditures are marginally above the budget of $31,593,500 originally requested by the

Secretary-General; however, they also consider this fact wholly circumstantial, noting that the FAO setback changed the whole technical direction of the project and that the new direction has resulted in lower than expected costs. At the same time, funds for consultant studies, which the experts consider necessary to the development of IMIS, were significantly underbudgeted; a number of other essential project items, such as user training, data-processing services and supplies, and travel were also either omitted from the initial estimates or underbudgeted.

17. The revised estimate of $41,332,900 for phase I represents an increase of $13,332,900 at current prices (or $5,080,000 at 1988 rates) over the estimate of $28 million approved by the General Assembly in its resolution 43/217 of 21 December 1988 as the cost of the first phase of the project. In table 2 of the Secretary-General's report, the total of $41.3 million is compared by main object of expenditure with a corresponding breakdown of the estimate of $28 million. As shown therein, and as mentioned in paragraph 16 above, the net increase relates primarily to underbudgeting under contractual/consultant services; on the other hand, savings were realized in respect of hardware and software. Details of those increases/decreases are contained in the Secretary-General's report (paras. 57-67).

18. As shown in table 2 of his report, requirements for contractual services ($25,925,200) reflect an increase of $12,061,700 (at current prices) over the original estimate (at 1988 prices) of $13,863,500; in constant 1988 prices, the increase is $7,405,900. "Not only were the actual market costs of consulting services higher than anticipated, but it also became apparent in the course of the project that a number of additional studies ... would be necessary" (A/C.5/47/27, para. 60). The Secretary-General also notes that the original estimate included no provision for "out-of-scope work", which is usually included in cost estimates for large projects to allow for changes in organizational policy and user requirements not foreseen during the initial study of the system. Simply stated, out-of-scope work represents additional work which management has identified as necessary in order to implement IMIS in a way that will fully meet its objectives. Because the contracts are fixed-price contracts, there must be compensation for any additional work decided upon by management.

19. According to the Secretary-General, for projects of this size it is common to make provision for up to 20 per cent of the initial contract costs for out-of-scope work. The Committee inquired as to why such a provision had not been included in the original estimates and was informed that the original estimate had been based on the FAO experience.

20. As shown in table 1 of the Secretary-General's report, an estimated $34,051,400 at current prices will have been expended since the inception of the project to the end of 1993. This is a cumulative total relating to expenditures in different years and thus to different rates of inflation/exchange. Requirements for the first six months of 1994 are estimated at $7,281,500 (at current inflation and exchange rates), thus bringing the total to $41,332,900.

21. Based on the approved cost-sharing formula for the project, the regular budget share (65.1 per cent) of the total estimate of $41,332,900 would amount to $26,907,700. As shown in table 3 of the Secretary-General's report, that amount comprises expenditures totalling $22,167,500 for the period 1989-1993 and $4,740,200 in respect of 1994.

22. While the estimated expenditures for the period 1989-1993 total $22,167,500, regular budget appropriations for the same period amount to $19,579,200; there is a shortfall in 1993 of $2,588,300 (para. 70). That being the case, the Secretary-General requests the General Assembly to reconsider its decision on the proposed programme budget for 1992-1993 and to restore $2,588,300 out of the reduction approved in its resolution 46/185 B. Furthermore, because the amount now requested is within the level of resources included in the proposed programme budget, the Secretary-General believes that restoration of the $2,588,300 should not be considered an additional expenditure falling within the scope of the contingency fund.

23. In considering the Secretary-General's request, the Advisory Committee recalled that the Secretary-General, in his report (A/C.5/43/24), proposed that 65.1 per cent of IMIS expenditures be financed from the regular budget, 7.4 per cent from peace-keeping and 27.5 per cent from the special accounts for programme support costs, to which are credited overhead income generated by expenditures relating to technical cooperation and to general trust funds, as well as reimbursement for administrative support provided by the Organization to extrabudgetary entities such as UNDP and UNICEF.

24. As explained by the Secretary-General in the same report, the above formula was based on the distribution of 1986-1987 expenditures between the regular budget, peace-keeping activities (excluding troop payments) and technical cooperation and general trust funds and administrative support provided by the Organization to extrabudgetary entities. Based on that formula, it was estimated that peace-keeping would finance $2.3 million of the total estimate of $31.6 million submitted by the Secretary-General.

25. In its related report (A/43/7/Add.10), the Advisory Committee observed that, in view of the recent and prospective developments that were expected to enlarge the scope and level of peace-keeping activities, the proposed share of the cost of phase I of the IMIS project to be met from peace-keeping activities might be understated. Similarly, the Committee expressed its view that a greater share of financing the project could be met from the special accounts for programme support costs and from other extrabudgetary resources.

26. In response to inquiries, the Committee was informed that, thus far, the total appropriations from peace-keeping for the IMIS project amounted to $3.1 million, and that the amount to be provided from peace-keeping is likely to increase. The Committee was also informed, however, that this increase was likely to be offset by a comparable decrease in the amount foreseen from programme support (extrabudgetary) accounts, thus leaving the regular budget share unchanged. The Advisory Committee requests the Secretary-General to review further the cost-sharing formula and to report thereon to the Assembly at its forty-eighth session.

27. The Committee believes that the implementation of the project should proceed as outlined in the Secretary-General's report. However, because his request has been submitted in the first year of the biennium, but is based on expenditure projections for the entire biennium, the Committee does not believe at this stage that it is necessary to authorize the restoration of the $2.6 million. It recommends, therefore, that the General Assembly should defer action on this request. In the event that the project experiences funding difficulties prior to the forty-eighth session of the Assembly, the Secretary-General should report to the Advisory Committee accordingly.

28. As stated in the Secretary-General's report, "an appropriation for the regular budget share of the remaining costs of the project will be requested in the context of the proposed programme budget for 1994-1995" (A/C.5/47/27, para. 73). In that connection, as noted and as shown in table 3 of his report, the regular budget share of expenditures in 1994 is estimated at $4.7 million. In response to an inquiry, the Committee was informed that the amount of $4.7 million, which relates to the development of the system, does not include the additional requirements for general temporary assistance referred to in paragraph 78 of his report. As stated therein, those requirements relate to the maintenance of existing systems until they are phased out and the additional workload which will be generated until the end of 1995 because of the need to tune the new system, develop new reports and provide additional support to new users of the system. The Committee was informed that, in financial terms, those additional requirements would amount to $747,900 in 1993. At current rates of inflation, the costs for the 1994-1995 biennium are estimated at $808,800; the Committee was informed that the Secretary-General will consider the possibility of meeting those costs through redeployment in the context of the proposed programme budget for 1994-1995.

29. In addition to the above-mentioned general temporary assistance, the Secretary-General states that the hardware and software maintenance costs are estimated at 15 per cent of the estimated purchase costs, or approximately $750,000 a year. Those costs are also not included in the total estimate of $41.3 million for the development of the project, since they will be incurred after implementation. As stated in paragraph 75 of his report, those costs will be partly offset by savings in the costs incurred for the maintenance of hardware for the existing systems; when the existing systems are phased out, it is estimated that the annual savings in maintenance could amount to approximately $611,200.

30. The Advisory Committee notes the Secretary-General's statement that the 15 per cent is a standard formula used for determining maintenance costs, although it is possible that the standardization of the hardware and software may enable the Organization to reduce that percentage to 10 per cent (A/C.5/47/27, para. 74). In the opinion of the Advisory Committee, every effort should be exerted to do so.

31. The combined estimate for hardware and software amounts to $6.2 million. In response to inquiries, the Committee was informed that the maintenance

costs relate to all of the hardware, but only some of the software; thus the figure of $750,000 does not represent 15 per cent of $6.2 million.

32. As discussed in the Secretary-General's report (A/C.5/47/18), access to United Nations databases by Member States has become an issue of importance. In that connection, the Advisory Committee trusts that the IMIS system will also be accessible, it being understood that the necessary measures would be taken to ensure the protection of confidential/private data.

II. STATUS OF TECHNOLOGICAL INNOVATIONS IN THE UNITED NATIONS (A/C.5/47/18)

33. As noted in the Secretary-General's report (A/C.5/47/18, paras. 2 and 3) it covers the most significant projects which have been undertaken since last year. In an attempt to present a comprehensive picture of all new technology projects, it also includes areas of activity not emphasized previously, including information on how computer technology has been used in peace-keeping projects. Because separate reports were requested by the General Assembly on the status of the IMIS and the optical disk projects, those projects are not discussed in detail in the report.

34. As a source of general information, the Advisory Committee found the Secretary-General's report useful and well constructed. However, bearing in mind that many of the projects mentioned therein have been or will be the subject of separate reports and budgetary proposals, the Committee questions whether the continued production of such a report represents the most efficient use of resources. It therefore recommends that no future reports of this type be submitted.

III. PROGRESS REPORT ON THE OPTICAL DISK PROJECT (A/C.5/47/18/Add.1)

35. This report, which has been submitted pursuant to General Assembly resolution 46/185 B, describes the implementation of phase I of the project and the proposed activities for phase II, as well as a projection of requirements for phase III in the 1994-1995 biennium.

36. The Advisory Committee notes from paragraph 2 of the report that the implementation of phase I "has proceeded along the lines described in paragraphs 7 to 11 of the report of the Secretary-General to the General Assembly at its forty-sixth session (A/C.5/46/26)". The Secretary-General proposes that, during the remainder of the biennium 1992-1993, the available resources should be concentrated on upgrading the capacity of the system, increasing the number of documents stored on optical disk and, to the extent possible, increasing the number of users with access to the system at Geneva and New York (para. 11). In that connection, the Secretary-General notes that, as explained in paragraphs 12 and 13 (A/C.5/47/18/Add.1), the allocation

of the total resources approved by the Assembly for phase II ($1,564,500) differs from that proposed in his previous report (A/C.5/46/26, para. 17). The Advisory Committee has no objection to this revised allocation.

37. The Secretary-General projects 1994-1995 requirements at $5.1 million (A/C.5/47/18/Add.1, para. 16). This projection assumes that all will go according to schedule and that there will be an expansion of the capacity of the system in 1994-1995, as described in his earlier report (A/C.5/46/26). The Advisory Committee notes that relevant details will be provided in the proposed programme budget for 1994-1995.

ANNEX

Executive summary

1. The General Assembly, in its resolution 46/185 B of 20 December 1991, requested that an independent expert study be conducted on the project for developing and implementing an integrated management system (IMIS) approved by the Assembly in December 1988 and currently under development. The study was to be submitted to the Advisory Committee on Administrative and Budgetary Questions.

2. Accordingly, in order to undertake the study, the Department of Administration and Management sought the assistance of a Panel of experts, which consisted of Mr. Colin Wooles, from the Government of Canada, and Mr. Edward B. Bergh, from the Ministry for Foreign Affairs of Sweden. Coordination support was provided by the officer-in-charge of the IMIS project. The study was conducted during June and July 1992.

3. The findings, conclusions and key recommendations resulting from the study are summarized below and include the key findings of the review, the levels of funding required for completion of the project implementation around the world and the management actions necessary to ensure that IMIS is an organizational success.

4. In 1988, IMIS was perceived to be a project consisting of three phases. The system which will be delivered and installed at Headquarters by the end of 1993 will perform all of the functions of the planned phase I, plus many of the functions planned for phases II and III. This system is scheduled for implementation at offices away from Headquarters during 1994.

Technical design

5. The chances of a technical success of the project are very high. The hardware and software selection and procurement processes have been based on sound management practices. This has resulted in the development of a modern, up-to-date computer system, which provides Headquarters and offices away from Headquarters with effective operational, administrative and management information systems which deploy the latest technologies.

6. The technical design is one which can be used by other organizations in the United Nations system, and all efforts should be made by the General Assembly to ensure that the IMIS base platform is used by those organizations when replacement or upgrading of their existing systems capabilities is required. The design of the IMIS applications is the result of extensive consultation with users around the world, including other organizations in the United Nations system.

7. The United Nations is well served by the contractor conducting design and implementation of the computer system. The deliverables are on time, are of the required quality, and meet the vendor performance requirements of the contract.

Funding requirements

8. We have conducted several analyses of expenditures and budget projections, including analyses of variance. In order to compare expenditures against the Secretary-General's project spending estimates of 1988 and the authorized budget, we have converted current year dollars to 1988 dollars in our analyses.

9. The projected total of phase I expenditures are marginally above the requested budget of 1988. However, as the General Assembly reduced the requested amount by $3.5 million in 1988 and more recently by a further $4 million in 1991 dollars, the project is significantly over the approved budget level at the present time. At the end of 1992, it is anticipated that $17.6 million in 1988 constant dollars will have been invested in the project. A further $16 million in 1988 constant dollars (approximately $20.6 million in 1993 dollars) must be invested to install phase I and some aspects of phases II and III at Headquarters and at all offices away from Headquarters.

10. Of the funds required after 1992 to complete the development and installation of phase I, approximately $12.1 million is required in 1993 to install the New York operational database and the corporate database capability. Approximately $8.5 million will be required in 1993 and 1994 to install IMIS at the offices away from Headquarters during 1994.

Implementation schedule

11. The IMIS Steering Committee has adopted a phased release schedule for IMIS which entails five releases of software to be progressively implemented from December 1992 to December 1993. It is a realistic approach to schedule a phased implementation during 1993. We concur that such a phased implementation is the only possible course of action the United Nations can take. To try to implement all components of a complex integrated system such as IMIS at a single point of time is to invite disaster and, even more so, is impossible.

Benefits of IMIS

12. The qualitative benefits anticipated from IMIS have been articulated at length in the progress reports of the Secretary-General and we are of the view that those benefits are fully realizable. We also concur that it is not possible to attach precise monetary values on benefit attainment as the information required to do this is not available.

13. We conclude that, above all, IMIS is a strategic positioning instrument for the United Nations Secretariat which is aligned with the reform process. During our review, we have noted examples of policy, strategy, approach and organizational direction which is in line with the directions which many Governments are actively pursuing in enhancing services through the innovative use of information and technology. We suggest that the assessment of the benefits generated by IMIS should be made in that context.

14. IMIS is a business imperative in the environment of the United Nations, where business levels are at an all time high around the world and where the current information systems are often antiquated and systems are lacking in the capabilities required to support responsively operations and to provide the best levels of information to management. In essence, IMIS will assist in positioning the United Nations to meet its future responsibilities. It is a tool for both Headquarters and overseas duty stations which has the potential to be used by many more organizations in the United Nations system.

Organizational readiness: actions required

15. Major changes are occurring in the ownership and management of United Nations data and systems which are precipitated by the design philosophy and concepts of IMIS. Such changes and their possible organizational impacts and ramifications do not appear, to the Panel, to be realized or understood. Those changes must be managed.

Transition management

16. Transition management involves user training, conversion of automated and manual files to the IMIS database and possibly temporary bridging to other application systems. The IMIS project team has developed, in detail, strategies for implementation for each release. The responsibility for transition management must be passed to each user organizational section. The head of each unit must be empowered to work with the project team to develop a transition plan for that unit which sets forth in detail the activities to be performed, a timetable, and the resources required and assigned to effect a successful transition to IMIS for the organizational unit. This planning activity must be initiated now for Release 1.

Acceptance testing

17. Unit heads must by necessity be involved in the acceptance testing of the IMIS system and the file conversion and bridging programmes. That level of involvement in testing, with the concentrated participation of the staff who will be using IMIS, is the only way that senior officials can attain a reasonable assurance that IMIS, as delivered, is processing according to specifications. The unit heads must be held accountable for independently testing the functionality for which they are responsible and for advising senior officials on the extent and results of the testing. In order to do this, unit heads must be empowered to work with the project team and the contractor to negotiate and/or devise adequate testing plans for their areas of responsibility.

18. Within the IMIS project team it is necessary to set up an acceptance testing unit, which could be aligned with the quality assurance function. A test database must be constructed which can be used for progressively testing new releases and, in the future, for testing enhancements to IMIS.

Information services organization

19. With the move towards integrated data systems and consistent technologies on a global basis, there is a need for a retrenchment of control of information resource management to a central coordinating unit. In strategic information planning parlance, this has, in many circles, been known as the Chief Information Officer concept. The United Nations should consider this type of organization, in conjunction with the Electronic Services Division, to house the future manangement of IMIS.

Knowledge transfer

20. Staff members who will be involved n all computer operations and software library and maintenance aspects of IMIS must be identified immediately, and provided with the necessary training which is available now and that which will become available when the successful hardware supplier is known. To assure effective knowledge transfer from the contractor specialists to the identified operations and programming personnel, arrangements should be made for those persons to work with the project team, specifically with the contractor staff, until the system is handed over to the United Nations for production.

21. Similarly, key members of user units, who will in the future be authorized to access the IMIS database and download data or generate their own reports, may also find it beneficial to take the opportunity of engaging in knowlege transfer from the contractor specialists.

Backup and recovery

22. The contractor will be producing recommendations for backup and disaster recovery and other contingency plans as one of the deliverables under the Computer System Design contract. Those plans must also be subjected to acceptance testing. Contingency procedures should be tested regularly in the production environment. Contingency and recovery plans and procedures must be agreed to by the user community, which must also be involved in their testing.

Policy decisions

23. Computer coding is about to commence and this activity has a finite schedule. Where subject-matter policy decisions are required on how the computer programmes are to compute and/or process, they should be made expeditiously such that the IMIS programming schedule is not jeopardized.

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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Proposed programme budget outline for the biennium 1994-1995 (A/47/358)

Prototype of a new budget format (A/C.5/47/3)

Procedures and norms for the creation, suppression, reclassification, conversion and redeployment of posts (A/C.5/47/4)

Extrabudgetary resources of the United Nations

Tenth report of the Advisory Committee on Administrative and Budgetary Questions

Proposed programme budget outline for the biennium 1994-1995

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget outline for the biennium 1994-1995 (A/47/358). During its consideration of the report the Committee was provided with additional information by representatives of the Secretary-General.

2. Introductory and background material is provided in paragraphs 1 to 3 of the Secretary-General's report. The Secretary-General states in paragraph 3 of his report that the proposed outline for the biennium 1994-1995 relates to a biennium that will reflect fully the effects of the restructuring of the Secretariat undertaken in the course of 1992.

3. Furthermore, the outline reflects the changes in the preparation of the programme budget that are being proposed in the context of the report of the Secretary-General to the General Assembly at its forty-seventh session under the terms of section VIII of General Assembly resolution 46/185 B of 20 December 1991 (A/C.5/47/3). The methodology has been simplified and the outline does not involve a complex revaluation of the resource base nor does it reflect a specific treatment of non-recurrent items for the calculation of growth.

4. The Advisory Committee requested information to update the estimated impact on the budget outline of the statements of programme budget implications and revised estimates that have been considered or are awaiting consideration at the forty-seventh session of the General Assembly. The Advisory Committee has been informed that, in the best judgement of the Secretary-General, the related estimated costs, at initial 1992-1993 rates, are now estimated at $21.2 million ($17.7 million for regular expenditure and $3.5 million in capital expenditure).

5. Of this total $16.8 million has already been anticipated in the Secretary-General's preliminary estimate. In keeping with past practice, it would be necessary to add $4.4 million to the preliminary estimate.

6. As indicated in paragraph 5 of the Secretary-General's report, budgetary growth is projected at $4.0 million. This is the net result of a number of factors, which are explained in paragraph 6 of the report.

7. In paragraph 6 (a) of the Secretary-General's report a number of additional requirements are mentioned; among them is an amount of $28 million for preventive diplomacy and peacemaking missions. The Advisory Committee believes that by their very nature those activities are generally unpredictable. The experience gained in one biennium is not necessarily an indication of what will be encountered in the next. Furthermore, the Advisory Committee believes that the General Assembly, in its resolution 46/187 of 20 December 1991 on unforeseen and extraordinary expenses, adequately provides for any unexpected activity. The Advisory Committee therefore recommends that provision for such activities should not be included in the outline for 1994-1995.

8. Furthermore, the Advisory Committee recalls the provision in annex I to resolution 41/213 of 19 December 1986 that "a comprehensive solution to the problem of all additional expenditures, including those deriving from inflation and currency fluctuation, is also necessary". The Advisory Committee therefore requests the Secretary-General to refine further his proposal for the treatment of estimates for preventive diplomacy and peacemaking by defining the nature of those estimates and to what extent they are predictably recurrent, and by proposing a methodology for the treatment of such estimates both in future outlines and in proposed programme budgets. The Secretary-General's analysis in that regard should be available to the Advisory Committee by the spring of 1993.

9. Paragraph 6 (a) of the Secretary-General's report also refers to an amount of $99.5 million for capital expenditure. Although that amount is at the level of the projected revised appropriation for 1992-1993, the Advisory Committee nevertheless intends to monitor developments in that regard in the context of its examination of the proposed programme budget for the biennium 1994-1995.

10. The Advisory Committee was informed that for the purpose of those estimates the vacancy rate for posts in the Professional category was calculated at 5 per cent and for posts in the General Service category at 0.5 per cent. However, more recent information provided indicates the vacancy rate for posts in the General Service category at 1.4 per cent. The Advisory Committee intends to pay particular attention to the vacancy rate when it examines the proposed programme budget for the biennium 1994-1995.

11. Taking into account paragraphs 4, 5 and 7 above, the total preliminary estimate recommended by the Advisory Committee at initial 1992-1993 rates is $2,386.4 million.

12. In keeping with past practice, it is also necessary to take into account updated forecasts for inflation for the next biennium and the latest available rates of exchange. According to information provided by the Secretary-General, adjustment to revised 1992-1993 rates would require an addition of $53.7 million. The subsequent adjustment to 1994-1995 rates would require a further addition of $262.6 million.

13. As shown in the table below, the total preliminary estimate recommended by the Advisory Committee for the biennium 1994-1995 corresponds to $2,702.7 million at 1994-1995 rates as currently projected by the Secretary-General:

	Millions of United States dollars	
1. Secretary-General's preliminary estimate at initial 1992-1993 rates	2 410.0	
2. Recommendations of the Advisory Committee on Administrative and Budgetary Questions	(23.6)	
Subtotal at initial 1992-1993 rates		2 386.4
3. Adjustment due to recosting at revised 1992-1993 rates	53.7	
4. Adjustment due to recosting at 1994-1995 rates	262.6	
Total		2 702.7

14. The size of the contingency fund is discussed in paragraph 13 of the Secretary-General's report. As has been the practice during the past two biennia, the size of the contingency fund as a percentage of the overall level of resources has been approved at 0.75 per cent. For the biennium 1990-1991, the level of the fund in United States dollars amounted to $15 million, of which approximately $3.2 million remained available at the close of the biennium. For the biennium 1992-1993, the dollar amount of the fund was set at $18 million while the available balance following decisions of the General Assembly at its forty-sixth session is $15.2 million. The Secretary-General therefore recommends that the level of the fund be maintained at 0.75 per cent of the overall level of resources for the biennium 1994-1995, amounting to approximately $20 million. The Advisory Committee concurs in that recommendation.

Prototype of a new budget format

15. The Advisory Committee has also considered the report of the Secretary-General on the prototype of a new budget format (A/C.5/47/3). The Committee welcomes the changes, which, it believes, will greatly simplify the budget document, and intends to comment on them in greater detail and in particular on changes in methodology when it examines the proposed programme budget for the biennium 1994-1995.

16. While noting the proposals made by the Secretary-General, the Committee requests that he ensure that Part I of the new proposed programme budget is clear and concise. In other words, as outlined in paragraphs 5 and 6 of his report, that part of the new budget document should provide an overview rather than technical information, with a limited number of tabular annexes.

17. In that connection, the Committee suggests that the annexes to both parts of the new document as currently proposed be re-examined with a view not only to simplifying the annexes but also, particularly as regards Part II of the document, to determining which annexes should be retained. In the opinion of the Advisory Committee, some of the annexes as envisaged may prove to be too technical for the general user and/or superfluous; some of them could be provided separately for the use of the Advisory Committee and the Committee for Programme and Coordination.

18. The Committee notes the proposals in paragraphs 11 and 12 of the report with regard to the relationship between sections, departments and major programmes of the medium-term plan. The Committee points out that a balance must be struck in the volume of resources to be administered by programme managers between the flexibility required by the Secretary-General and the need for adequate legislative scrutiny and control. It should also be borne in mind that it is difficult to administer a budget that fails to correspond to the structure of the Secretariat. The Advisory Committee will scrutinize the Secretary-General's presentation in the context of its examination of the proposed programme budget for the biennium 1994-1995.

19. The Advisory Committee trusts that the new budget document will contain consistent treatment of estimates for policy-making organs and executive direction and management. The aim should be to ensure comparability of estimates for those activities between sections.

Procedures and norms for the creation, suppression, reclassification, conversion and redeployment of posts

20. In considering the note submitted by the Secretary-General with regard to the procedures and norms for the creation, suppression, reclassification, conversion and redeployment of posts (A/C.5/47/4), the Advisory Committee recognizes that the document is a preliminary response to General Assembly resolution 46/185 B, section II; it summarizes the existing procedures for changes in the staffing table and suggests possible directions for improvement.

21. As described in various parts of the document, the Committee notes the constraints in the establishment and application of uniform workload standards for determining the relative grading of functions within the Organization. The Committee notes from paragraph 10 of the document that so far workload standards have only been established and applied to Language Services in the Office of Conference Services and that there are significant constraints to extending those techniques to other areas of work. However, the Committee was informed that the results of an internal survey on the subject indicate that there may be a possibility of establishing workload standards for procurement activities. The Committee welcomes this prospect and believes that, to the extent possible, activities that can be quantified should be included in the exercise; this should not preclude qualitative reviews.

22. In paragraph 14 of his note the Secretary-General indicates that "ideas such as the possibility of integrating levels P-2 to P-4 for budgetary purposes or budgeting staff in terms of work-months, could also rationalize and expedite the consideration of staffing table proposals". In other words the Secretary-General proposes to budget Professional posts at levels P-2 to P-4 at a single level in the same manner as G-1 to G-6 posts are budgeted for as a group.

23. The Secretary-General indicates that that proposal, while not undermining the integrity of the classification system, will simplify budgetary procedures and increase managerial flexibility in the management of posts. As mentioned in paragraph 37 of his report on career development (A/C.5/47/6), which the Committee had before it, the Secretary-General also cautions that in order to ensure that an appropriate spread of staff at the P-2 to P-4 levels would continue to exist, maximum percentages for each level would be established for each office or department. Those levels would be used with flexibility within the established limits with the understanding that posts used at a higher level than the classified one would revert to their classified level after the incumbents concerned moved. The Advisory Committee does not object to the basic idea advanced by the Secretary-General. However, subject to any decision that the General Assembly may wish to take in the context of

item 112, on personnel questions, the Advisory Committee recommends, at this stage, for budgetary purposes, that that integration be instituted in two parts, namely levels P-1 and P-2, and P-3 and P-4.

Extrabudgetary resources of the United Nations

24. The Advisory Committee also considered two reports with regard to extrabudgetary resources of the United Nations and related activities (A/46/545 and A/C.5/46/56). Given that those reports had been submitted to the General Assembly at its forty-sixth session but could not be considered at that time, the Committee believes that some of the information contained in the reports is outdated. The Committee will therefore confine its comments to certain basic elements contained in the reports, pending receipt of updated information in due course.

25. The report on extrabudgetary resources of the United Nations (A/46/545) provides more in the way of information than proposals both for better use and planning of the need for extrabudgetary resources as well as how more scrutiny and control can be applied to that area of expenditure. Likewise, the question of the impact of extrabudgetary resources on programme priorities remains unclear. In that regard, the Advisory Committee notes the ongoing discussions on the subject in the Committee for Programme and Coordination and the General Assembly.

26. It is obvious from the report that there is a wide range of extrabudgetary funds. The Advisory Committee has, over the years, signalled its intent to become much more closely involved in the examination of those funds. At present the Committee undertakes regular reviews of the United Nations Fund for Drug Abuse Control (UNFDAC) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA); in addition, the Committee intends to pay close attention to that category of expenditure in the context of its examination of the proposed programme budget for the biennium 1994-1995.

27. The Advisory Committee therefore appreciates the proposals outlined in paragraphs 57 to 64 of the report, which would not only contribute to an improvement in forecasting of extrabudgetary resources but also improve transparency in presentation in the context of the new budget format with regard to extrabudgetary resources.

28. With regard to the issue of special-purpose contributions (paras. 37-39), the Committee believes that where donors attach conditions that are contrary to United Nations policy, the Organization's Rules and Regulations shall prevail. The Committee has expressed its views on the subject in the past and most recently in its comments on the Office of the United Nations High Commissioner for Refugees (UNHCR) in the report of the Board of Auditors 1/ as follows (A/47/500, para. 152):

"As to the acceptance of a contribution by UNHCR with an unfavourable clause, the Committee reiterates the Board's recommendation, ... that UNHCR is obliged to ensure that voluntary contributions are accepted and utilized in accordance with the relevant provisions of the Financial Regulations of the United Nations, the financial rules for voluntary funds, and, where applicable, United Nations Staff Regulations and Staff Rules."

United Nations office accommodation: reimbursement to the regular budget of the cost of accommodation for posts related to extrabudgetary activities (A/C.5/46/56)

29. In considering the above-mentioned report, the Committee notes that the regular budget of the United Nations bears a large portion of the cost of accommodation in respect of staff charged against extrabudgetary resources. The current situation with regard to the reimbursement to the regular budget of the cost of accommodation is outlined in paragraphs 10 to 28 of the report and recommendations in that regard are outlined in paragraphs 32 to 39. The Advisory Committee notes, however, that the information provided to it in the report is incomplete. As stated in paragraph 29 of the report with regard to collection of data on current occupancy of accommodation by regular budget and extrabudgetary staff, "not all data have been collected".

30. With regard to the recommendations contained in the document, related cost estimates have not been made available to the Committee on the basis of which it could make detailed comments. However, the report was prepared for the General Assembly at its forty-sixth session and needs to be updated. The Committee believes, however, that the principle of burden sharing should be maintained. While the Committee agrees with the proposal made in paragraph 32 of the document, that is, that rental be charged to specialized agencies, the Committee believes that the benefits to be obtained from charging rental from subsidiary programmes as outlined in paragraph 33 of the report are not obvious. The Committee intends to make more detailed comments and recommendations on the subject and to that end requests that an updated and thorough analysis of the situation be submitted to it so that it can be considered at the time the Advisory Committee takes up the proposed programme budget for the biennium 1994-1995.

Notes

1/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 5E (A/47/5/Add.5).

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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Comprehensive study of the question of honoraria payable to members of organs and subsidiary organs of the United Nations

Eleventh report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the Secretary-General's statement on the question of honoraria payable to members of organs and subsidiary organs of the United Nations (A/C.5/47/45). During the course of its consideration of the document, the Committee met with representatives of the Secretary-General.

2. The Advisory Committee recalls that by its resolution 46/185 A of 20 December 1991, section V, the General Assembly had requested the Secretary-General to submit a report with appropriate proposals on honoraria payable to members of organs and subsidiary organs of the United Nations.

3. The Committee also recalls that, in its resolution 35/218 of 17 December 1980, the General Assembly decided to set the rates applicable for the payment of honoraria, with effect from 1 January 1981, to members of the International Law Commission, the International Narcotics Control Board, the United Nations Administrative Tribunal and the Human Rights Committee, bodies, which the Assembly had earlier decided should receive honoraria on an exceptional basis. Those rates are reflected in paragraph 1 of the Secretary-General's report.

4. In its resolution 36/240 of 18 December 1981, the General Assembly decided that the members of the Committee on the Elimination of Discrimination against Women would be paid the rate of honoraria set out in resolution 35/218 and also decided, in its resolution 44/201 of 21 December 1989, that honoraria for members of the Committee on the Rights of the Child would also be payable at the rates authorized in resolution 35/218.

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5. The Advisory Committee was informed by representatives of the Secretary-General that the members of those six bodies currently receiving honoraria also received travel and subsistence allowance at the standard rates plus 40 per cent, as outlined in ST/SGB/107/Rev.6 of 25 March 1991; thus honoraria are in addition to the conditions of service that apply to expert bodies generally.

6. For the reasons given in his report, the Secretary-General proposes to increase the existing rates of honoraria by 25 per cent. The revised rates payable to members of those six bodies which the General Assembly had already authorized on an exceptional basis would be as follows:

Rate of honoraria

(United States dollars)

	Present rate a/	Proposed rate	Increase
Chairman (presidents)	5 000	6 250	1 250
Vice-Chairmen of the International Narcotics Control Board	4 000	5 000	1 000
Other members	3 000	3 750	750
Additional amount payable to members of the International Law Commission, when acting as special rapporteurs, conditional upon the preparation of specific reports or studies between sessions of the Commission	2 500	3 125	625

a/ As authorized by the General Assembly in its resolutions 35/218, 36/240 and 44/201.

7. The Advisory Committee will not object to that proposal. That being said, there is little evidence in the report to suggest that a comprehensive review regarding such questions as to whether there might be other bodies within the system eligible for payment of honoraria, or the implications of introducing uniformity into the conditions for the payment of honoraria, have been dealt with.

8. Should the General Assembly decide to revise the rates of honoraria as outlined above, effective 1 January 1993, the financial implications for 1993 have been estimated at $86,625 (para. 16 and annex I). The Advisory Committee was informed that that estimate had been calculated at full cost and did not take into account payments for actual attendance.

9. In paragraph 54 of his report, the Secretary-General states that depending on the guidance that the General Assembly might provide during its current session on the relationship between workload and payment of honoraria to members of organs of the United Nations, it might be necessary to revert to the question at a later date.

10. The report of the Secretary-General indicates that the proposed honoraria would also be applicable to members of the Committee on the Protection of the Rights of All Migrant Workers and Members of their Families upon entry into force of the relevant International Convention (resolution 45/158, annex). Under the terms of article 72, paragraph 8, of the Convention, the members of the Committee shall receive emoluments from United Nations resources on such terms and conditions as the General Assembly may decide.

11. In paragraph 85 of its first report on the proposed programme budget for the biennium 1992-1993, 1/ the Advisory Committee had stated that with the rapid expansion of the activities of the United Nations in certain areas, the work of some of its committees and commissions had increased dramatically and further stated its belief that the time had come for the Secretary-General to examine all of the consequences of that trend and to report thereon to the General Assembly with such recommendations as might be appropriate.

12. In part B, section VII, of its resolution 46/185, the General Assembly endorsed that statement, which was not directly related to the question of payment of honoraria but reflected views on the increase in the general workload of various committees and commissions.

13. The Advisory Committee does not believe that the concerns expressed in paragraph 85 of its above-mentioned report and endorsed by the General Assembly have been adequately addressed in the report of the Secretary-General. As for the proposal contained in paragraphs 54 and 55 of the report of the Secretary-General, the Advisory Committee refrains from comment, since it involves the Committee itself; the Advisory Committee transmits that proposal for appropriate action by the General Assembly. Should the Assembly approve the Secretary-General's recommendation contained in paragraphs 54 and 55 of his report, the estimated financial implication for 1993 would be $46,000.

Notes

1/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 7 (A/46/7).

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A

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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

IMPLEMENTATION OF THE DECLARATION ON THE DENUCLEARIZATION OF AFRICA

GENERAL AND COMPLETE DISARMAMENT: TRANSPARENCY IN ARMAMENTS

REVIEW AND IMPLEMENTATION OF THE CONCLUDING DOCUMENT OF THE TWELFTH SPECIAL SESSION OF THE GENERAL ASSEMBLY: REGIONAL CONFIDENCE-BUILDING MEASURES

REVIEW OF THE IMPLEMENTATION OF THE RECOMMENDATIONS AND DECISIONS ADOPTED BY THE GENERAL ASSEMBLY AT ITS TENTH SPECIAL SESSION

IMPLEMENTATION OF THE DECLARATION ON THE INDIAN OCEAN AS A ZONE OF PEACE

Programme budget implications of draft resolution A/C.1/47/L.14, as orally revised

Programme budget implications of draft resolution A/C.1/47/L.18

Programme budget implications of draft resolution A/C.1/47/L.2

Programme budget implications of draft decision A/C.1/47/L.53

Programme budget implications of draft resolution A/C.1/47/L.31/Rev.1

Twelfth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered five statements of programme budget implications relating to

disarmament as contained in documents A/C.5/47/50, A/C.5/47/52, A/C.5/47/63, A/C.5/47/64 and A/C.5/47/65.

2. As stated in document A/C.5/47/63, draft decision A/C.1/47/L.53 calls for the reconvening of the First Committee for five working days in March 1993 and involves the provision of conference servicing at an estimated full cost of $815,900.

3. Draft resolution A/C.1/47/L.31/Rev.1 relates to the holding of a session of the Ad Hoc Committee on the Indian Ocean in 1993. As shown in document A/C.5/47/52, this would entail conference servicing at an estimated full cost of $454,000.

4. Since provision was included in the programme budget for the biennium 1992-1993 to cover meetings that would subsequently be authorized, the Secretary-General estimates that no additional resources would be required under section 41 as a result of the adoption of both draft decision A/C.1/47/L.53 and draft resolution A/C.1/47/L.31/Rev.1.

5. As explained in document A/C.5/47/50, draft resolution A/C.1/47/L.18 relates to activities to be undertaken both in 1993 and 1994; requirements in respect of the 1994 activities will be considered in the context of the proposed programme budget for the biennium 1994-1995.

6. The activities called for in 1993 relate to the operation and maintenance of the Register of Conventional Arms, as discussed in paragraphs 9 and 10 of A/C.5/47/50. In paragraph 11, the Secretary-General estimates the related additional requirements at $171,300 at full cost, comprising $50,000 for the acquisition of computer hardware and software for system development (start-up costs) and $121,300 for the salary and common staff costs of three additional posts, that is, two Professional and one General Service.

7. However, the Secretary-General further states that, in respect of the staff requirements, in 1993 only one Professional and the General Service staff members would be required and that the Professional post would be redeployed from elsewhere in keeping with the new treatment of vacancies as discussed in his report A/C.5/47/2 and Corr.1.

8. Consequently, should the General Assembly adopt the draft resolution, the Secretary-General concludes that additional requirements totalling $79,500 would arise under section 37, comprising $29,500 in general temporary assistance to finance one General Service staff member and $50,000 for the computer hardware and software for system development and testing.

9. The Advisory Committee is not convinced that an additional appropriation is required at the present stage to cover the computer hardware and software for system development and testing; additional requirements could be reported in the context of the performance report. Nor is the Committee convinced that the amount of $29,500 for general temporary assistance cannot be absorbed from within the overall resources for general temporary assistance provided for

disarmament activities under section 37. It therefore recommends that, should the General Assembly adopt draft resolution A/C.1/47/L.18, no additional appropriation be approved under section 37.

10. As stated in A/C.5/47/64, draft resolution A/C.1/47/L.2 would, inter alia, request the Secretary-General to continue to provide assistance to the Central African States in implementing the programme of work of the Standing Advisory Committee on Security Questions in Central Africa of the Economic Community of Central African States (ECCAS). In that connection, the Secretary-General states in paragraph 8 that it is understood that the intent of the sponsors of the draft resolution was that that assistance would be provided through the convening of two meetings of the Standing Advisory Committee in 1993 and that all relevant costs of convening and holding the meetings would have to be borne by the regular budget of the United Nations. The Secretary-General also states his understanding that the United Nations would not be requested to provide conference services and that the meetings of the Standing Advisory Committee would not be included in the calendar of conferences and meetings for 1993.

11. The combined costs of the two meetings, which are expected to be held at Bujumbura and Libreville total $203,200. That amount includes $29,500 in conference-servicing costs to cover the rental of conference rooms, interpretation and rental of office equipment. The total of $203,200 also includes provision for the payment of travel and subsistence for governmental representatives. In that connection, the Secretary-General states in paragraph 10 that the payment of travel and subsistence costs to governmental representatives at the meetings would require an exception to the general principle that only members of United Nations organs or subsidiary organs serving in their individual capacities should receive such reimbursements. While the meetings in question do not relate to an organ or subsidiary organ of the United Nations, the Committee was informed that that principle was extended to other meetings convened by the United Nations.

12. As recalled by the Secretary-General, the ministerial-level organizational meeting of the Standing Advisory Committee was convened by the Secretary-General in 1992 pursuant to General Assembly resolution 46/37 B of 6 December 1991. The First Committee had previously been informed that the related requirements of that meeting would be approximately $90,000, to be financed from extrabudgetary resources. Accordingly, no appropriation had been requested at the forty-sixth session of the Assembly.

13. The estimate of $90,000 also included provision for the travel and subsistence of governmental representatives; in response to inquiries, representatives of the Secretary-General acknowledged that authorization to effect such payment as an exception to the prevailing principle governing such payments should have been sought.

14. Such authority has been sought in relation to the current draft resolution. However, the Advisory Committee would wish to bring to the attention of the Fifth Committee that the Secretary-General, pursuant to General Assembly decision 46/450 of 20 December 1991, has submitted a review

of travel and related entitlements for members of organs and subsidiary organs and staff members of the United Nations, as contained in document A/C.5/47/61. That report has yet to be considered by the Advisory Committee and the Fifth Committee. The Advisory Committee is of the view that until that report is considered, the Fifth Committee may wish to defer action on granting the exception for the payment of travel and subsistence to the governmental representatives to the two meetings of the Standing Advisory Committee.

15. The Advisory Committee is also of the view that renewed efforts should be made to secure some financial input from the host Governments for the provision of conference servicing, particularly since it involves local expenditures.

16. In the circumstances, the Advisory Committee recommends that the Fifth Committee inform the General Assembly that, should it adopt draft resolution A/C.1/47/L.2, no additional appropriation should be approved at the present stage under under section 37 of the programme budget and that no exception to pay for travel and subsistence costs of government representatives should be granted at the present stage.

17. As outlined in document A/C.5/47/65, draft resolution A/C.1/47/L.14, as orally revised, would request the Secretary-General, in consultation with the Organization of African Unity (OAU) to take appropriate action to enable the group of experts designated by the United Nations in cooperation with OAU to meet during 1993 at Harare to draw up a draft treaty or convention on the denuclearization of Africa.

18. In that connection, the Secretary-General states his understanding that the United Nations would not be requested to provide conference services and that the meeting of experts would not be included in the calendar of conferences and meetings for 1993. However, the regular budget of the United Nations would bear all costs related to the convening of the meeting. Those costs are estimated at $72,300, as outlined in paragraph 7, and include $13,600 in conference-servicing costs for the rental of the conference room, interpretation, the rental of office equipment and translation.

19. In keeping with its recommendation regarding draft resolution A/C.1/47/L.2, the Advisory Committee believes that an effort should be made for the host Government to bear the conference-servicing costs. With regard to the substantive costs, which are estimated at $58,700, it recommends that an effort be made to absorb them from existing appropriations under section 37 and that the Secretary-General report accordingly in the context of the performance report.

20. Accordingly, the Advisory Committee recommends that, should draft resolution A/C.1/47/L.14, as orally revised, be adopted, no additional appropriations be authorized under section 37 of the programme budget at the present stage.

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HUMAN RIGHTS QUESTIONS: HUMAN RIGHTS QUESTIONS, INCLUDING ALTERNATIVE APPROACHES FOR IMPROVING THE EFFECTIVE ENJOYMENT OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Programme budget implications of draft resolution A/C.3/47/L.20/Rev.1

Thirteenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement (A/C.5/47/55), submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly, on the programme budget implications of draft resolution A/C.3/47/L.20/Rev.1, relating to human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms. During its consideration of the statement, the Committee met with representatives of the Secretary-General who provided additional information.

2. Should the General Assembly adopt draft resolution A/C.3/47/L.20/Rev.1, the Secretary-General would establish the United Nations Observer Mission to Verify the Referendum in Eritrea (UNOVER) under the terms of reference outlined in paragraph 4 of his statement of programme budget implications.

3. On the basis of the assumptions outlined in paragraphs 4 to 19 of the statement, the Secretary-General estimates that an additional appropriation of $2,577,000 would be required under section 2 of the programme budget for 1992-1993. An amount of $184,000 would also be required under section 36, Staff assessment, offset by the same amount under income section 1, Income from staff assessment. Also, according to the Secretary-General, the General Assembly would need to authorize him to enter into commitments of up to

$103,000 for that portion of the additional requirements which would arise in 1992, pending the General Assembly's approval of revised appropriations for 1992-1993.

4. As reflected in paragraph 15 of the Secretary-General's statement, $1,672,000 relates to personnel costs such as salaries, fees, travel and related allowances, including a contingency provision for death and disability claims for any international observers not covered by the relevant United Nations Staff Rules. The balance, $905,000, would provide for operational costs such as rental of premises, rental and acquisition of vehicles, and communications equipment and rental of aircraft. The Advisory Committee notes from the tabular summary in paragraph 15 that, of the total requirements of $2,577,000, an amount of $103,000 has been reflected against 1992 while an amount of $2,474,000 has been shown for 1993.

5. As outlined in annex I to the statement, the requirements for personnel include, for periods ranging from approximately 2 to 22 weeks, the provision of 22 core posts (1 ASG, 2 P-5, 2 P-4, 3 P-3/4, 1 P-3, 10 P-2/3, 2 Field Service and 1 General Service) in addition to 123 staff under general temporary assistance and 100 election monitors.

6. In respect of other requirements listed in annex II to the statement, provision has been made for items such as rental of premises to accommodate UNOVER headquarters and three regional offices; the acquisition of nine vehicles for the duration of the operation and rental of additional vehicles for varying lengths of time; rental of aircraft for observer teams and medical evacuations if required; the acquisition of communications and various other equipment and supplies, and freight and cartage. As described in paragraph 13 of the statement and item 8 of annex II, public information activities are estimated at $42,000.

7. Notwithstanding the reasons given in the statement of programme budget implications, including the indication that efforts will be made to fill the 10 P-2/3 posts by United Nations Volunteers (para.8), the Advisory Committee believes that the number and level of core staff should be reduced and some of the functions of these staff be combined. Furthermore, estimates for personnel costs have been calculated at full cost and the Committee believes that there is a possibility for savings to be realized under such items as travel, common staff costs and compensation for death and disability.

8. The Advisory Committee observes that "no commitment has been made by the provisional government to provide office accommodation" (para. 11). The Committee believes that, pursuant to the Secretary-General's further negotiations with the provisional government, support should be obtained to the extent possible, in the form of office accommodation, local staff, including drivers and interpreters, vehicles and even the possibility for provision of aircraft. Considerable savings could thus be realized against those items of expenditure.

9. The Advisory Committee notes that assistance and input from specialized agencies and other United Nations bodies has not been mentioned in the statement. The possibility of this should be vigorously pursued. In addition, the Committee believes that there is room for absorption of the requirements for public information activities within the Department of Public Information.

10. On the basis of the considerations mentioned above and bearing in mind that the mission might not start on the proposed date, the Advisory Committee believes that a reduction in the Secretary-General's estimate from $2,577,000 to $2,000,000 should be made. Furthermore, with regard to the mode of financing of UNOVER, the Committee notes from paragraph 18 of the document that the Secretary-General has made an appeal to Member States for voluntary contributions to fund UNOVER through the United Nations Trust Fund for Electoral Observation, established pursuant to General Assembly resolution 46/137 of 17 December 1991. The Committee was informed that the appeal was launched only on 2 November 1992; thus it is still too early to determine the success of this effort.

11. The Advisory Committee, therefore, does not agree with the Secretary-General's proposal that the requirements for UNOVER should be dealt with in the manner proposed in paragraphs 20 and 21 of his statement. However, under the terms of draft resolution A/C.3/47/L.20/Rev.1, the Secretary-General would be authorized to establish UNOVER and requested to arrange for the deployment of the mission as soon as possible. In view of this fact and taking into account paragraph 10 above, the Advisory Committee recommends that, if the Secretary-General is authorized by the General Assembly to commence operations, the related commitments be treated as an advance from the Working Capital Fund, with the understanding that the commitments would be a first charge against contributions received pursuant to resolution 46/137 and the Secretary-General's appeal dated 2 November 1992. On this basis, the Advisory Committee recommends that the Secretary-General be authorized to enter into commitments not exceeding $2 million pending receipt of voluntary contributions for this operation.